

# Comments

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All the views here are purely personal.

# Monetary Policy

- New policy framework
  - Inflation-overshooting commitment
  - QQE with Yield Curve Control
- Background
  - Need to strengthen commitment amid weakened inflation expectations
  - Real interest rates in comparison with natural rate
- In line with Fund advice
  - Clear communication and better use of forward guidance
  - Policy coordination

# Income Policy

- Deflationary mindset needs to be dispelled, but it is so entrenched...
  - Benchmark for wage increase
  - Sluggish private consumption, slow portfolio rebalancing
  - Japan is really becoming less Ricardian?
- Adaptive formation of inflation expectations
- Income policy plays a pivotal role
  - Minimum wage and base pay increase
  - Labor market rigidity
  - Tax incentive to discourage cash hoarding by firms and households